

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

CHESAPEAKE ENERGY CORPORATION,
et al.,

Debtors.¹

Chapter 11

Case No. 20-33233 (DRJ)

(Jointly Administered)

**RESERVATION OF RIGHTS
[Relates to Dkt. 1147, 1305, 1367]**

COME NOW, Marty Shelton and Becky Shelton, Co-Trustees of the Shelton Land & Cattle Company Trust, Marty Shelton and Becky Shelton, Fransen Farms LLC formerly known as Fransen Farms, an Oklahoma General Partnership, CB Graft and Tricia Graft, Co-Trustees of the CB Graft & Tricia D. Graft 2007 Mineral Revocable Living Trust, CABCO Development Company Inc, Ethel's LLC, Patricia M. Kelley, Trustee of the Waverly & Verna Davis 1994 Irrevocable Trust, Melvin A. Davis and Carolyn J. Davis, Robert, W. Travis and Karen R. Travis, Co-Trustees of the Robert & Karen Travis 2017 Revocable Living Trust, Danny G. Dupree, Ronnie Dean Dupree, Randy G. Dupree, Darla Dawn Dupree Kinney, and Darrell Dupree (collectively, the “Royalty Owners”).

1. Pursuant to the Order (I) Approving Bidding Procedures For The Sale Of The Debtors’ Mid-Con Assets, (II) Approving Bid Protections, (III) Scheduling Certain Dates With Respect Thereto, (IV) Approving The Form And Manner Of Notice Thereof, and (V) Approving Contract Assumption And Assignment Procedures, dated October 6, 2020 (the “Bidding Procedures Order”) (Dkt. 1305), this Court, among other things, established today, November 6, 2020, at 4:00 PM

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://dm.epiq11.com/chesapeake>. The location of Debtor Chesapeake Energy Corporation’s principal place of business and the Debtors’ service address in these chapter 11 cases is 6100 North Western Avenue, Oklahoma City, Oklahoma 73118.

(the “Objection Deadline”) as the deadline to file any objections to the Mid-Continent Sale (Dkt. 1147).

2. Royalty Owners were not aware of the Objection Deadline when Oklahoma counsel for the Royalty Owners contacted undersigned Kyung S. Lee before 4:00 PM. The undersigned was not able to return the call until after the Objection Deadline.

3. The Royalty Owners do not know whether the sale documents will abridge or affect their rights. For example, on October 13, 2020, the Debtors filed at Docket No. 1367 a proposed order (I) Authorizing the Sale of the Debtors’ Mid-Con Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, (II) Authorizing the Debtors to Enter into and Perform Under a Definitive Purchase Agreement, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief (the “Proposed Sale Order”).

4. The Proposed Sale Order provides that the transfer of the Mid-Con Assets to the Buyer shall vest the Buyer with all the Debtors’ rights, title, and interest in the Mid-Con Assets “free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever, with the sole exception of any permitted Encumbrances and Assumed Obligations.” Proposed Sale Order, Dkt. 1367, Section VII.

5. The Proposed Sale Order further authorizes the Debtors, in accordance with the Purchase and Sale Agreement (“PSA”) (the PSA is attached as Exhibit 1 to the Proposed Sale Order), to assume and assign to the Buyer the Assigned Contracts (as identified on the Schedule of Assigned Contracts attached as Exhibit D to the PSA) “free and clear of all Liens, Claims, and Interests of any kind or nature whatsoever, with the sole exception of any permitted Encumbrances and Assumed Obligations.” *Id.*, Section IX.

6. Out of an abundance of caution, the Royalty Owners file this Reservation of Rights

to reserve their rights to be able to review the sale documents and lodge any objections, if necessary, prior to the Sale Hearing.

7. The filing of this Reservation of Rights is not done for delay, but to preserve and protect the rights of the Royalty Owners under the sale documents and any order approving the Mid-Continent Sale. The Royalty Owners own their interest, and those interests are not property of the estate. Only if the sale documents or the sale order adversely affect the Royalty Owners, which it should not, will the Royalty Owners need to file any additional pleadings to protect their property rights.

WHEREFORE, PREMISES CONSIDRED, the Royalty Owners reserve their right to participate in the process relating to the Mid-Continent Sale and file any pleadings to point out issues that may improperly and adversely affects the Royalty Owners.

Dated November 6, 2020

/s/ Kyung S. Lee

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Co-Counsel to the Royalty Owners

CERTIFICATE OF SERVICE

I certify that on November 6, 2020, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Kyung S. Lee